

**AUTHORIZE AGREEMENT EXTENSIONS WITH VARIOUS VENDORS FOR
DEFINED CONTRIBUTION RETIREMENT SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize extensions of the agreements with various vendors to provide defined contribution retirement services to Chicago Public Schools employees, at no cost to the Board. Two (2) of these vendors are not the providers, but are the custodians of the participant assets (Reliance Trust Company as the custodian for Metropolitan Life Insurance Co. and Wells Fargo Bank N.A. as the custodian for Great-West Life and Annuity). Vendors will continue to provide investment management, administration and recordkeeping for group fixed annuities, variable annuities and institutional mutual funds. Written documents extending the agreements are currently being negotiated. The authority granted herein shall automatically rescind as to each vendor in the event their written extension agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this extension is stated below.

Specification Number : 01-250230 And 08-250028

Contract Administrator : Sinnema, Mr. Ethan Cedric / 773-553-3295

USER INFORMATION :

Project
Manager: 12440 - Treasury

42 West Madison Street

Chicago, IL 60602

Bennett, Ms. Jennie H

773-553-2595

ORIGINAL AGREEMENT:

The original agreements (awarded pursuant to Specification Number 01-250230 and authorized by Board Report 02-0123-PR31 as amended by Board Resolution 02-1120-RS06) were for a term commencing April 1, 2002 and ending April 1, 2005, with the Board having one option to renew for an additional period of twenty-four (24) months. The written agreements were renewed for a term commencing April 1, 2005 and ending April 1, 2007 (authorized by Board Report 05-0323-PR14 and amended by Board Report 05-0824-PR11). The agreements were then amended (authorized by Board Report 07-0228-PR12) to extend the end date to December 31, 2007, and thereafter amended (authorized by Board Report 07-1024-PR21) to extend the end date to December 31, 2008, with the exception of Prudential Retirement Services. The remaining agreements were then amended (authorized by Board Report 08-0827-PR24) to extend the end date to December 31, 2009. This Board Report was then amended pursuant to Board Report 09-0128-PR16 to reflect the name change of CitiStreet Associates, LLC to MetLife Associates, LLC and also correct the erroneous deletion of Reliance Trust Company, as custodian. The agreements were then amended (authorized by Board Report 09-1216-PR26) to extend the end date to December 31, 2010. The agreements were then amended (authorized by Board Report 10-1117-PR20 as amended by Board Report 11-0525-PR20) to extend the end date to December 31, 2011, except for the agreements with Prudential, Horace Mann, and Hartford. The remaining agreements were then amended (authorized by Board Report 11-1214-PR11) to extend the end date to December 31, 2012. The agreements were then amended (authorized by Board Report 12-1219-PR19) to extend the end date to December 31, 2013. The agreements were then further extended (authorized by Board Report 13-1023-PR15) for a term commencing January 1, 2014 and ending December 31, 2014. The

agreements were then further extended (authorized by Board Report 14-0827-PR22) for a term commencing January 1, 2015 and ending December 31, 2015.

The original agreements with Great-West Life and Annuity Insurance Company and Wells Fargo Bank N.A., (awarded pursuant to Solicitation Number 08-250028 and authorized by Board Report 10-0127-PR17 as amended by 10-1027-PR17) were for a term commencing on the date of execution and ending on December 31, 2013 with the Board having two (2) options to renew each agreement for a one (1) year term. The first renewal agreements (authorized by Board Report 13-1023-PR12) were for a term commencing January 1, 2014 and ending December 31, 2014. The final renewal agreements (authorized by Board Report 14-0827-PR19) were for a term commencing January 1, 2015 and ending December 31, 2015.

The original agreements were all awarded on a competitive basis pursuant to Board Rule 7-2 (Specification Numbers: 01-250230 and 08-250028).

EXTENSION PERIOD:

The term of these agreements is being extended for one (1) year commencing January 1, 2016 and ending December 31, 2016. The extensions will cover the period of time necessary to transition to the new vendors selected in the RFP process. The extensions of the current agreements will be for a period of no more than one (1) year or until new fund managers are selected and operational.

OPTION PERIODS REMAINING:

There are no option periods remaining.

SCOPE OF SERVICES:

Vendors shall continue to provide comprehensive defined contribution retirement services which include:

- Management of investment options (either proprietary, non-proprietary or a combination)
- Participant Communication
- Administration/Recordkeeping
- Participant Education

Vendors shall only provide those products and services within the product line for which they were originally selected.

DELIVERABLES:

Vendors shall continue to provide periodic reports related to program activities, including enrollment, vendor performance, investment performance and participant services. Vendors shall continue to develop communication materials, conduct education seminars and provide training materials for Board staff.

OUTCOMES:

The Vendors' services shall continue to result in a program that provides quality investment products and services, with cost effective fees that enhance the Board of Education's defined contribution retirement program.

COMPENSATION:

Vendors shall be paid during this extension period through voluntary deductions for participating Board employees, with no cost to the Board.

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written extension documents. Authorize the President and Secretary to execute the extension documents. Authorize the Chief Financial Officer to execute all ancillary documents required to administer or effectuate this extension.

AFFIRMATIVE ACTION:

Pursuant to section 5.2 of the Remedial Program for Minority and Women Owned Business Enterprise Participation in Goods and Services Contracts, these agreements are exempt from MBE/WBE review because they are unique transactions that come at no cost to the Board.

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Vendors shall be paid during this extension period through voluntary deductions for participating Board employees, with no cost to the Board.

CFDA#: Not Applicable

GENERAL CONDITIONS:

Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness - The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

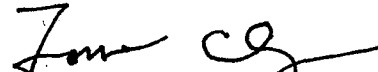
Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:




SÉBASTIEN de LONGEAUX
Chief Procurement Officer

Approved:



FORREST CLAYPOOL
Chief Executive Officer

Approved as to Legal Form: 



RONALD L. MARMER
General Counsel

- 1) Vendor # 91417
Voya Retirement Insurance and Annuity Company
ONE ORANGE WAY
WINDSOR, CT 06095
Carol Keen
860 580-1651
Ownership: No Shareholder Owns More Than 10%
- 2) Vendor # 23624
VARIABLE ANNUITY LIFE INSURANCE COMPANY, THE
2929 ALLEN PARKWAY, STE L6-30
HOUSTON, TX 77019
Mike Mitchell
713 831-4070
Ownership: No Shareholder Owns More Than 10%
- 3) Vendor # 34986
METROPOLITAN LIFE INSURANCE CO.
400 ATRIUM DR.
SOMERSET, NJ 08873
Greg Babineau
732 652-1346
Ownership: No Shareholder Owns More Than 10%
- 4) Vendor # 94559
RELIANCE TRUST COMPANY
1100 ABERNATHY RD., STE 400
ATLANTA, GA 30328
Marsha Petzel
678 274-1787
Ownership: No Shareholder Owns More Than 10%
- 5) Vendor # 69802
GREAT-WEST LIFE & ANNUITY INSURANCE COMPANY
8515 EAST ORCHARD RD
GREENWOOD VILLAGE, CO 80111
Vanessa Coakley
269 823-4020
Ownership: No Shareholder Owns More Than 10%
- 6) Vendor # 10530
WELLS FARGO BANK N.A.
1740 BROADWAY, MAC #C7300-105
DENVER, CO 80274
Andrea Stellish
303 863-4825
Ownership: No Shareholder Owns More Than 10%